

NAN HAYWORTH, M.D.
19TH DISTRICT, NEW YORK

FINANCIAL SERVICES COMMITTEE
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CAPITAL MARKETS AND GOVERNMENT
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Congress of the United States
House of Representatives
Washington, DC 20515-3219

2 SUMMIT COURT, SUITE 103
FISHKILL, NY 12524
TOWNE CENTRE AT SOMERS
268 ROUTE 202, SUITE D105
SOMERS, NY 10589
ORANGE COUNTY GOVERNMENT CENTER
255 MAIN STREET, ROOM 3232G
GOSHEN, NY 10924
1440 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
DISTRICT OFFICES: (845) 206-4600
WASHINGTON, DC OFFICE: (202) 225-5441
www.hayworth.house.gov

June 8, 2011

The Honorable Timothy Geithner
Secretary
The Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, DC 20220

Dear Secretary Geithner:

The U.S. Department of Treasury (the "Treasury Department") has been a leader in the global efforts to prevent the financing of terrorism and played a critical role in protecting our country during a difficult and challenging time. Your ongoing work in this area is commendable and I thank you and the Treasury Department for your continued efforts.

As you know, the Treasury Department's Office of Foreign Assets Control ("OFAC") is responsible for administering sanctions programs with respect to terrorists and terrorist organizations. Pursuant to Executive Order 12947 of January 23, 1995, Executive Order 13224 of September 23, 2001, and the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132), HAMAS has been designated by OFAC as a terrorist organization and sanctions have been enforced against the group.

In 2006, members of HAMAS constituted a majority party within the Palestinian Legislative Counsel. As a result, OFAC determined that HAMAS had a "property interest" in the transactions of the Palestinian Authority and prohibited U.S. persons from engaging in transactions with the Palestinian government unless licensed. (71 Fed. Reg. 27199 (May 10, 2006).) OFAC established six licenses authorizing a limited number of specific transactions with the Palestinian Authority. However, in 2007, when the Palestinian Authority subsequently established a government that did not include ministers affiliated with HAMAS, OFAC established a broader license authorizing U.S. persons to engage in all transactions with the Palestinian government. (72 Fed. Reg. 61517 (Oct. 31, 2007).)

Recently, Fatah and HAMAS announced their intention to jointly select Ministers to govern the West Bank and Gaza. I am concerned that transactions with a Palestinian government that includes Ministers selected by HAMAS may result in the funding of terrorist activity. To address this concern, I would appreciate clarification regarding, if Ministers selected by HAMAS are included as part of the Palestinian Authority, how OFAC will determine whether transactions with the new government will result in the funding of terrorism. Additionally, how will OFAC determine if transactions by U.S. persons with the new Palestinian government are prohibited?

I appreciate your assistance with these concerns. Please contact my staff if you have any questions.

Very truly yours,



Nan Hayworth, M.D.
Member of Congress

Cc:

The Honorable Spencer Bachus

Chairman, House Committee on Financial Services

The Honorable Barney Frank

Ranking Member, House Committee on Financial Services

The Honorable Ileana Ros-Lehtinen

Chairwoman, House Committee on Foreign Affairs

The Honorable Howard Berman

Ranking Member, House Committee on Foreign Affairs